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September 28, 2001

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: D.T.E. 01-63 – Reply Comments of NSTAR Electric

Dear Ms. Cottrell:

These Reply Comments are filed on behalf of Commonwealth Electric Company, d/b/a NSTAR Electric ("NSTAR Electric" or the "Company"). These brief Reply Comments will be limited to issues that the Company has deemed to be of particular importance and will not respond to every issue raised by other commenters.¹

The Company generally supports the concept of the Cape Light Compact (the "Compact") Default Service Pilot Plan (the "Pilot Plan") and has been working with the Compact to understand the Compact's proposal and inform the organization of the Company's needs to facilitate its implementation, if approved. Two issues are of utmost importance to the Company: (1) the Compact's obtaining of all necessary approvals of its Pilot Plan and supply contract; and (2) flexibility enrolling new customers with the Compact's supplier.

Regarding the first issue, the Compact must receive all necessary approvals prior to the Company instituting systems changes to facilitate the

The Company has received copies of comments from the Office of the Attorney General (the "Attorney General"), the Division of Energy Resources ("DOER"), Duke Energy Trading and Marketing, LLC, ("Duke"), Joseph M. Zdanovich, the Consumer Assistance Council, Inc., IRATE, Inc., the Low Income Energy Affordability Network, et. Al. ("LEAN"), and Dominion Retail, Inc. ("Dominion"). Silence as to any matter raised in a commenter's initial comments should not be construed as acquiescence to any specific position taken.

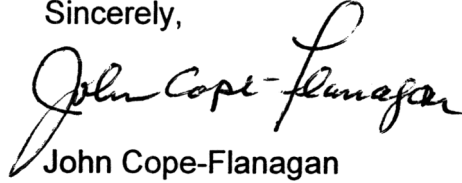
Compact's enrollment process. As noted in the Company's Initial Comments, the Company's information systems are able to enroll existing default service customers as of a certain date (NSTAR Electric Initial Comments at 3-4). However, these systems are not equipped to "automatically" enroll new customers to its service territory with competitive suppliers, absent prior affirmative authorization by the customer (*id.* at 4). Conversion of the Company's systems to accommodate these customers will require the commitment by the Company of significant manpower and time. Although the Company is willing to change its systems to accommodate the Compact, it cannot "jump the gun" and begin systems changes without knowing that all necessary approvals for the Pilot Plan and supply contract have been received and knowing any and all terms of any Department approvals. Otherwise, the Company could incur significant expense for no purpose and could unnecessarily divert Company resources from other important priorities. Moreover, as noted by the Attorney General, it is crucial that the Compact secure supply at a price that will beat the price offered by NSTAR Electric so that customers will realize savings from the Pilot Plan (Attorney General Initial Comments at 2). Accordingly, Department approval of the Compact's supply contract should be received by the Compact prior to the Company commencing systems changes.

The Company's proposal for automatically enrolling new customers is also important. As noted in the Company's Initial Comments, once the Compact receives all necessary approvals, the Company requires up to 90 days to modify its systems to accommodate such enrollments (*id.*). During this period only, the Company seeks approval to place customers new to the Compact's service territory on the Company's Default Service, thereby giving the Company time to notify the Compact's supplier and allow the customer to be switched to the Compact's supplier at the beginning of the customer's next billing cycle. Upon completion of necessary changes to the Company's system, it should be able to accommodate the automatic enrollment of new customers with the Compact's supplier.

After recent discussions with the Compact, the Company believes that the Compact is willing to clarify its Pilot Plan to address the remaining issues noted in the Company's initial comments regarding: (1) service start-up; (2) customer

education; and (3) termination notification. However, to the extent such issues are not clarified by the Compact, the Company asks that the Department clarify such issues prior to any approval of the Pilot Plan. NSTAR Electric appreciates the opportunity to offer these comments.

Sincerely,

A handwritten signature in black ink, reading "John Cope-Flanagan". The signature is written in a cursive style with a large, stylized "J" and "F".

John Cope-Flanagan

cc: Jeanne L. Voveris, Hearing Officer
Kevin Penders, Hearing Officer
Ronald LeComte, Director, Electric Power Division
Service List, D.T.E. 01-63